

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS  
(TOPEKA DOCKET)

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	No. <u>09-40045-01-RDR</u>
	)	
DAVID RAY FREEMAN,	)	
	)	
Defendant.	)	
_____	)	

INFORMATION

The United States Attorney Charges:

At all time material to this information:

1) Junction City, Kansas is a municipality of the State of Kansas. Nearby is Fort Riley, home of the 1<sup>st</sup> Army Infantry Division, the “Big Red One.”

2) Junction City has a city commission form of government. It consists of five commissioners one of whom is mayor on a rotational basis.

3) DAVID RAY FREEMAN, the defendant herein (hereinafter “defendant” or “FREEMAN”), is a building contractor residing in Lawrence, Kansas. FREEMAN is a signatory on the accounts of Tri-County Foundations, LLC, and L and K Trucking LLC, and Big D LLC, at The University National Bank in Lawrence, Kansas. FREEMAN also maintains accounts at Lawrence Bank, Lawrence, Kansas.

4) In approximately 2004, representatives of Junction City were expecting a large troop buildup at Fort Riley with the hope and expectation that the population of Junction City could double. As a result the City began annexation of

1400 acres and laid plans to enhance the local housing market and expand the local economy.

5) In 2004, FREEMAN traveled to Junction City to look into investments in land for building. There were reports that soldiers would be returning to the Junction City/Fort Riley area and the city needed houses built quickly. FREEMAN during this period came to know and become friends with a Junction City Commissioner.

6) On May 1, 2006 FREEMAN issued a \$5,000 check made payable to the wife of the Junction City Commissioner on the account of Tri-County Foundations, LLC at The University National Bank, Lawrence, Kansas.

7) On May 5, 2006, Big D Development LLC and Big D Construction LLC (hereinafter collectively referred to as "Big D") were formed by FREEMAN and other Lawrence Kansas residents. FREEMAN held a 50% interest in Big D. FREEMAN bragged to partners in BIG D, and others, that he had a Junction City Commissioner in his pocket and could get anything through the City Commission.

8) On July 6, 2006, FREEMAN issued a \$5,000 check made payable to the Junction City Commissioner on the account of L and K Trucking LLC at The University National Bank, Lawrence, Kansas.

9) On July 27, 2006, Big D was the beneficiary of a development contract for Sutter Woods Subdivision in Junction City. On August 30, 2006, Big D was the beneficiary of a development contract for Sutter Highlands Subdivision in Junction City. The two contracts were worth in excess of \$12,000,000 to Big D.

10) Sometime after the City Commission awarded/approved the Sutter Wood development agreement to Big D, Big D set aside a choice lot for a residential home for "firefighter" as a code name for the Junction City Commissioner.

11) In or about March of 2007, FREEMAN had an assistant draw and cash a check for \$9,000, and deliver the cash to the Junction City Commissioner at a rest stop between Topeka, and Junction City, Kansas.

12) In the United States, the Bank Secrecy Act requires the filing of a

currency transaction report (CTR) for transactions of US \$10,000.01 or more. Federal law makes it a crime to knowingly “structure” financial transactions to cause a domestic financial institution to fail to file such report by structuring transactions in an amount under \$10,000.

13) At all times relevant to this Indictment, FREEMAN would instruct his assistant to draw and cash checks for amounts under US \$10,000, to avoid having the bank report these amounts to the government.

14) The University National Bank of Lawrence and Lawrence Bank are financial institutions, as defined by Title 18 United States Code, Section 20, and are insured depository institutions as defined by section 3(c)(2) of the Federal Deposit Insurance Act.

**COUNT 1**  
**A VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371**  
**THE CONSPIRACY:**

15) Paragraphs 1 through 14 are incorporated herein by reference.

16) Beginning in at least 2004, the precise date being unknown to the grand jury, and continuing through the return of this indictment, the defendant herein,

**DAVID RAY FREEMAN**

combined, conspired, confederated and agreed with unindicted co-conspirators to commit offenses against the United States of America, in the District of Kansas and elsewhere, that is:

- a) To violate the Hobbs Act, Title 18 U.S.C. § 1951;
- b) To Structure Financial Transactions to evade currency reporting requirements in violation of Title 31 United States Code, Section

5324; and

c) To Commit Bank Fraud in violation of Title 18 United States Code, Section 1344.

17) In furtherance and execution of the conspiracy the defendant and unindicted co-conspirators, committed overt acts including but not limited to those set forth in paragraphs 1 through 14 above.

### **FORFEITURE NOTICE & ALLEGATION**

21) As a result of the conspiracy, and scheme alleged in the foregoing count to commit bank fraud in violation of Title 18 United States Code, Section 1344, Hobbs Act in violation of Title 18 United States Code, Section 1951, and structuring in violation of Title 31 United States Code, Section 5324, the defendant

### **DAVID RAY FREEMAN**

shall forfeit to the United States all property, real and personal, involved in and derived from the aforesaid offenses and all property traceable to such property, or proceeds, including, but not limited to:

A) A money judgment in the amount of the proceeds obtained.

B) In the event any of the foregoing property: I) cannot be located upon the exercise of due diligence; ii) is transferred, sold to, or deposited with, a third party; iii) is placed beyond the jurisdiction of the Court; iv) is substantially diminished in value; or, v) is commingled with other property which cannot be divided without

difficulty, as a result of any act or omission of any defendant, the Court shall order the forfeiture of any other property of the defendant, up to the value of the money judgment obtained pursuant to paragraph 21) A.

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Penalties:

NMT 30 years imprisonment; NMT \$ 1,000,000.00; NMT 5 years supervised release; \$ 100.00 special assessment; restitution, forfeiture.